

Operations Chief Meeting - Meeting Minutes

Meeting was held at Ft. Belvoir, VA from March 30 - April 1, 1998

Opening remarks by Ms. Pettibone

Discussed the Anderson Consulting Report portion of the agenda. They have done a lot of research and have provided thought-provoking ideas.

Provided copy of briefing to Dr. Hamre about reengineering the DD250 and Contract Closeout Processes. One of the problems with the system is the excessive amount of paper flow. Talked about ways to reduce the amount of paper and reengineer requirements.

Property Workload - Mr. Paul Farley

Mr. Farley has had a PAT team to address concerns over property outcomes, resource allocation, centralized vs. decentralized support, risk-based surveillance, and AJG/OPM classification.

The Pat used the PBAM 97 tool to build a risk-based logic for property surveillance. Want to build this into Property Manual. Since that might take some time (need to wait for FAR 45 rewrite), Ms. Pettibone asked about building into One Book. Ms. Pettibone also asked that Paul and team look at metrics for the property system categories -- so that property folks could look at data on system performance like quality folks do.

Mr. Farley working on changes to AJG to build in more risk based rather than checklist approaches. He said classification standard needs revision but he's been told OPM is not accepting any revisions to standards because they're rewriting everything into "families" of standards. Ms. Pettibone asked for letter she or Mr. Thurber could send to CAH to elicit support.

Mr. Farley wrote new criteria for the IOA team to use in getting better probes into property issues. He's also worked with DCMC-B on the methodology being used for resource reviews.

ACTION - Look at selected sites throughout DCMC to develop metrics for property system categories.

ACTION - Mr. Farley draft letter on classification standard.

ACTION - Mr. Farley to send a draft of the PBAM based criteria, the decentralization criteria guide, and the Draft IOA and Resource Review Criteria to the Ops Chiefs.

AMS Update - Mr. Bob Schmitt Mr. Joe Petrucelli, Mr. Eric Kessler, LCDR Dennis Sacha

An issue is there needs to be a better level of communication throughout the AMS community. From the input side of the house, we needed to identify problem reporting, status of problems, training material and POCs for each of the functional areas.

On the output side, the team struggled with how to get the data out. Two issues popped out. One was with training in Cognos products and

the other was on Internet connectivity speeds. They talked about getting standard reports to help the field with lessening the burden of them developing their own queries.

Mr. Kessler highlighted the Automated System Project reference on the DCMC Home page

ACTION - Rick Lundy to develop an info letter with Frequently Asked Questions (FAQs) and statuses of current problems and what is being done about it. People don't think anything is being done..this is the reason.

ACTION - Mr. Robert Schmitt to follow up on POC instructions relating to posting historical data and other areas that still need work..

CACO/DACO/DCEs - Mr. Frank Wojtaszek

Mr. Wojtaszek discussed approach to reviewing DCEs/CACOs/DACOs in light of corporate restructuring.

Ms. Pettibone said there's four separate but interrelated issues:

1. CACO/DACOs/DCEs - Does every place that has one still meet the criteria? Do the criteria still appear relevant? Do any DCE/CACO/DACO duties need to be revised in light of lead commander concept?
2. How do we respond to Raytheon's desire to do SPI at more than a facility level? They have asked for "segment" ACO. Ms. Pettibone doesn't want to create another type of ACO. She believes it is a duty that can belong to a CACO, but would have to be described in the guidance.
3. What does the Raytheon restructure mean in terms of work/resources/property moving around?
4. How do we get to a "generic" process for navigating through corporate mergers and the impact on DCMC?

ACTION - Mr. Frank Wojtaszek To develop a PAT Team and Charter for this CACO/DACO/DCEs. The team to brief results at the June Ops Chief Meeting.

Pre-Award PAT - Mr. Bob Kennedy

The Team went and scrubbed the PAS guidebook. The problem was that it was too prescriptive and had too many "shalls" and "wills". A follow-on effort will include visits to selected "green" CAOs (Chicago and Orlando) to review PAS process flow and validate cycle time process drivers. Then, visits would be made to select "pacing" CAOs to assist with their improvement efforts. Also, policy and procedures would be adjusted as necessary. Going to Chicago during the week of 20 April. Orlando will be visited a week or two later.

Subcontract Management PAT - Ms. Ella Studer, Mr. Mark Melnyk

Mr. Mark Melnyk presented a current update of the PAT. The team has chunked their recommendations into a number of categories. They believe they can simultaneously work on all areas at once. Ms. Pettibone not so sure.

ACTION - Mr. Melnyk to come see Ms. Pettibone about this issue.

**Anderson Consulting Report - DOD and Commercial Source
Inspection/Acceptance Practices**

Opening remarks by Ms. Jill Pettibone
Special Guest - Me. Ron Massengill (Office of the Secretary of Defense)

Anderson Consulting was here to brief the results of their six month study of comparing industry and government regarding quality assurance practices including source inspection.

One key finding is that world class companies are trying to move towards ever increasing reliance on suppliers for the quality of products that they produce.

Another key finding was that each world class company used a Quality Assurance Strategy that was set at the executive level and was inextricable intertwined with procurement/acquisition strategy. The team identified six practices for supplier quality. They are Integrated Quality Assurance Strategy, QA Plan, Effective implementation, training, organization structure, and technology.

One common trait that the team found was that they had immediate feedback back to the supplier. Seemed to be a key.

During the site visits, several key observations were made. The good news is that Anderson noticed in DCMC the policy shifts from product audits to process control. But letters of delegation from customers were still inspection oriented.

DCMC and the team will be developing the briefing approach to OSD and the Services on the Anderson study. It will also be briefed at the DCMC Commanders Conference.

Contractor Self Oversight - Mr. Mark Melnyk, Ms. Ella Studer

The team was chartered to look at delinquency data to determine level of involvement (resources). If a contractor had good delivery data, then that would drive surveillance down.

Recommendations from the from the Ops Chief were; go after bigger contractors, use MC as a mandatory discussion point use PROCAS methodology for CSO, and find ways to increase the incentive for working the program?

ACTION - Mr. Bob Schmitt to develop strategy.

Safety PAT - Mr. Greg Larson

Goal of the team is to develop a top-level metric for specialized safety. The reason is that the existing metric was "poor" (mishaps). The team had metric development guidelines and was chartered in Jan. of 98. They have met twice. The team wanted to link to the top-level metrics (rights).

The team decided on a metric of mishaps measured as a percentage of the obligated dollar value of contracts containing a safety clause for ammunition and explosives. The team also defined cost elements for Fatalities, Injuries, Property Damage and Repair, and Cost of Production Delay.

ACTION - The Safety PAT will test the metric for the next six months and report back on conclusions and recommendations (to be briefed at October Ops Meeting).

Paperless Update - Col. Ed Burckle

Update to the brief from Boston of two months ago. Information Memorandum No. 98-95 (Moving to a Paperless Contracting Process) was published on the web today.

ACTION - Determine why Canada and Puerto Rico are not in ACO Mods.

ACTION - To tell the F Shops to use paperless procurement for small purchases.

NDT - Mr. Pete Landini, Ms. Maryjane Costa

Ms. Costa talked about NDT requirements, training solutions, and certification issues.

Ms. Costa is proposing that we go CBT in lieu of on-site instructor training for practical training in NDT areas. Total cost of CBT is projected at \$223,000, however there is a window of opportunity that may close.

Bottom line is that:

We need to look at the certification Process.

What do we want to certify to?

How do we want to re-certify?

What do we want to impose on ourselves?

How do we consistently apply this across the functional spectrum?

Do we want to certify our people in everything that goes on in a plant?

ACTION - Ms. Georgeanna Adams to put together a PAT and address Certification issues. The team will brief the next Ops Chief meeting on the constructs and logic of the issue.

EVMS Overview- Lt. Col. Jim Rego, Mr. Richard Zell

New changes in EVMS from C/SCSC have resulted in a big change with DCMC being the lead agent, internal DCMC policy and more responsibility for DCMC.

SPI has been utilized to replace C/SCSC DFARS clauses to EVMS Clauses.

Grand opening of the EVMS was January 8 and the center is now getting underway. Concurrent with the efforts of the Center, the PMAC has helped with the cross-fertilization of EVMS info through DOD and other agencies.

Terminations - Ms. Cynthia Brice, Col. Davis

Ms. Brice developed charts of all closed Dockets and broke them out by dollar amount and by office. She also developed a scatter chart to show average days to close.

Ms. Pettibone stated that the data shows getting inventory schedules takes much longer than the 120 days it should. Also seems to be a lengthy time for plant clearance - COL Davis said he thinks something else being counted in there because it doesn't seem to fit with what the plant clearance people report. Point is to figure out what's going on so we can help fix the root cause. Ms. Pettibone wants deeper analysis into the subprocesses at work. "What are the major things that make it difficult." Ms. Pettibone feels that the inventory schedules and Plant Clearance seems to be an area we can focus on right now to improve. Also, Ms. Pettibone can't understand why it takes so long to get a Termination Notice to the TCO (30-40 Days).

ACTION - Ms. Cynthia Brice to send a letter to the field to ask them to trend data and identify root causes. DCMC to provide findings of things that they have found as well. Tell the field we are looking at a systemic way to shorten the cycle time. To tell them to tell the TCOs to remind the Contractor to get inventory schedules within 120 days.

ACTION - Col. Davis to talk to DCAA about their statistics for review processing times...DCMC statistics shows unusually long processing times (should be close to 30 days).

ACTION - Ms. Brice to talk to Ms. Hawk about why the Plant Clearance times are as high as they are.

Delivery PAT - Mr. Mark Melnyk

The PAT has met once and is scheduled to meet again in Boston next week. Mark provided action items and minutes from the last meeting to the group.

Our past due delinquencies are quite overwhelming (over 200,000). The Team wanted to develop a metric to track this problem. The team looked at some of the reasons and found that the section movement may be a problem (section 1 to 2). There are some old contracts in MOCAS that all the details have not been put in for...that may be one of the reasons. The target is to reduce by 10% the number of past due delinquencies. Ms. Pettibone has a problem understanding why "any" should be late... Why be satisfied with ½ late?

The team is designing queries to reflect the change in math for calculating what's due that month vs what's due that month. Impromptu and Powerplay are being used to circumvent the limitations of current MOCAS queries. Relates to the "ON-TIME" metric.

Conclusion

Went over actions and wrap-up. Also, institute going over actions from previous meetings in all future meetings.

Get the Transportation Folks to come to an upcoming Ops chief Meeting to discuss MRM #15

Schedule the May Ops Meeting for Atlanta during the week of 4 May (Acquisition Reform Week). Work with Molly Marshall about logistics. Also, look at expanding the meeting to 2 days vs. the usual one day. One day for participating in AR day for three days total.

JILL PETTIBONE
Executive Director

Attendees List (in order as they appeared before the group)

<u>First</u>	<u>Last</u>	<u>Organization</u>	<u>Phone</u>
Paul	Farley	DCMC HQ	(703)767-2443
Bill	Gibson	DCMDI-O	(703)767-2793
Pete	Landini	DCMDW-O	(310)335-3600
Molly	Marshall	DCMDE-O	(617)753-4093
Jill	Pettibone	DCMC HQ	(703)767-2411
Thirston	Phillips	DCMC S/P	(703)767-7414
John	Zorich	DCMDI-O	(703)767-2481
Eric	Kessler	DCMC HQ	(703)767-3350
Joe	Petrucelli	DCMC HQ	(703)767-2426
Rick	Lundy	DCMC HQ	(703)767-6337
Dennis	Sacha	DCMC HQ	(703)767-6460
Frank	Wojtasek	DCMC HQ	(703)767-3405
Bob	Kennedy	DCMC HQ	(703)767-3409
Lucy	Daris	DCMC HQ	(703)767-2425
Mark	Melnyk	DCMC HQ	(703)767-3409
Ella	Studer	DCMC HQ	(703)767-3398
Robert	Schmitt	DCMC HQ	(703)767-2412
Steve	Krivokopich	DCMDW-O	(310)335-4213
Jim	McNulty, Col.	DCMC HQ	(703)767-3418
Greg	Larson	DCMC Twin Cities	
Sandy	Seward	DCMC HQ	(703)767-6353
Linda	James	DCMC HQ	(703)767-3422
Ed	Burckle, Col.	DCMC HQ	(703)767-7306
Penny	Kingsbury	DCMC HQ	(703)767-3372
Maryjane	Costa	DCMC HQ	(703)767-2377
Ann	Deitz	DCMC HQ	(703)767-2358
Wilie	Foreman	DCMC HQ	(703)767-2351
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Richard	Zell	DCMC HQ	(703)767-2413
W	Davis, COL.	DCMC HQ	(703)697-5454
Cynthia	Bryce	DCMC HQ	(703)767-3437
Scott	Clemons	DCMDI-O	(703)767-2764
Dee Dee	Adams	DCMC HQ	(703)767-3398